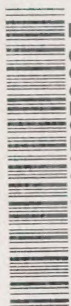


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Printed in Canada  
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# GEOGRAPHY

New Zealand is a group of islands in the South Pacific Ocean, southeast of Australia, covering a total land area of 268,680 km<sup>2</sup>. It includes the Antipodes Islands, the Auckland Islands, the Bounty Islands, the Campbell Islands, the

Chatham Islands, and the Kermadec Islands. The terrain is predominantly mountainous with some large coastal plains. The climate is temperate, with sharp regional contrasts.



# DEMOGRAPHICS

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The population of New Zealand is only 3.59 million. It is growing at an annual rate of 1.42 percent, or just over 48,000 a year (1995 estimates). At an average occupancy rate of 2.9 (1991 census figure), this translates into a demand of 16,600 units. The balance of the demand is attributable to shrinking household size and demolitions. Eighty-six percent of the population lives in urban areas.

Most New Zealanders, about 88 percent, are descendants of early European settlers. Nine percent of the people are Maori, and 3 percent are Pacific Islanders. New Zealand's

standard of living ranks among the highest in the world.

Many people who immigrated to New Zealand in the 1800s belonged to various church groups. Today, the major religions in various parts of the country still reflect the settlement patterns and faiths of the early colonists. About 25 percent of all New Zealanders belong to the Church of England. Presbyterians make up about 18 percent of the population. Roman Catholics account for about 15 percent, and about 5 percent belong to the Methodist Church. Other religious groups include the Ratana and Ringatu churches of the Maoris.



## ECONOMIC OVERVIEW

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Since 1984, the government has been reorienting an agrarian economy dependent on a guaranteed British market to a more industrialized, open free market economy that can compete globally. The government has hoped that dynamic growth would boost real incomes, broaden and deepen the technological capabilities of the industrial sector, reduce inflationary pressures, and permit the expansion of welfare benefits.

The initial results are mixed: inflation is down from double digits levels, but growth was sluggish in the 1988-91 period. In the 1992-93 period, growth reached 3 percent annually, an indication of the impact of the new economic approach. Business confidence strengthened in 1994 and export demand grew in the Asia-Pacific region, resulting in 6.2 percent growth. In 1995, GDP growth began to slow, but was expected to be about 3 percent a year into 1997.

Manufacturing production is now at record levels. The increase is broad based with fabricated metals, pulp and paper, and wood and wood products being the major contributors. The growth is accompanied by productive investment, which is also expected to continue to be strong. The inflation rate was 1.5 percent in 1995 and was expected to remain below 2 percent in 1996.

In mid-1994, the government balanced its budget for the first time in sixteen years, and budget surpluses are expected to continue, enabling the government to begin repayment of the large foreign and domestic public debt, totalling 33.15 billion New Zealand Dollars (NZD) (\$30.69 billion in mid-1995). New Zealand prides itself on having removed the government from most previous roles in the economy. After ten years of economic restructuring, the economy operates almost completely on market forces, with very little government influence. The principal remaining influences are the government's spending and tax powers, and the Reserve Bank Act of 1989 that sets the primary function of the Reserve Bank as achieving and maintaining price stability. A subsequent agreement between the Reserve Bank and the Treasury defines price stability as an annual underlying inflation rate of

between zero and 2 percent, resulting in the relatively low-price inflation cited above.

The GNP per capita was about \$22,200 in 1995. New Zealand's world competitiveness rank was 8 of 48 in 1995, and its human development world rank was 17 of 174.

This net public debt figure was 37.9 percent of GDP in mid-1995, and the government intends to reduce this ratio to 27.3 percent of GDP by mid-1997. The government expects to eliminate net foreign currency debt by mid-1997.

Unemployment fell steadily during 1994, reaching 6.6 percent, the lowest level in six years, in March 1995. Unemployment was expected to continue to decline into 1996. Shortages of skilled labour may appear in some areas, but these are not expected to severely constrain growth.

The principal factors slowing growth in 1995 were higher interest rates and foreign exchange rates, both fostered by the Reserve Bank to constrain inflation.

The government's main budget priorities are to continue to run budget surpluses, to use the surpluses to retire public debt, and perhaps (in 1996 or 1997) to reduce income taxes for lower- and medium-income New Zealanders. Significant spending increases in the budget for the fiscal year beginning July 1, 1995, were about US\$560 million (total) for education, health and social welfare.

While the government once owned major economic enterprises, such as the railroad and telephone monopolies, these have been progressively privatized. The main economic activities still owned by the government are the production and transmission of electric power, some radio and television broadcasting, and some forests. In 1995 the government was reviewing its future role in all three of these industries.

The New Zealand economy has recovered from the shock of the paradigm shift of the 1980s—from a planned to a market economy. As a result, there is steady economic growth, that is also felt in the house construction industry. Over the 1990-94 period, the average amount of

residential construction—new and renovations—has averaged U\$1.75B, which constituted about 3 percent of the GDP. The

construction sector provided employment for 5.8 percent of the New Zealand workforce.



## ***POLITICAL OVERVIEW***

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The major New Zealand domestic political issue affecting business is whether, having successfully restructured the economy from government-regulated to market-determined, and balanced the budget for the first time in sixteen years, the government might enact economic and social legislation and budgets that would threaten growth and the reduction of the large public debt.

Most of the economic restructuring is now widely accepted. However, it is not inconceivable that a future government might increase social services spending so much that the debt could not be reduced, amend the Employment Contracts Act to reintroduce labour rigidities, or amend the Reserve Bank Act to add full employment as a goal for the Reserve Bank (or simply widen the agreed inflation range defined as price stability). To one

extent or another, all of these steps have been proposed by opponents of the present government.

New Zealand is a parliamentary democracy within the British Commonwealth, with a one-house legislature. The head of government is the Prime Minister, who must be a Member of Parliament, and is usually the leader of the political party with the largest number of seats in the Parliament. The Head of State is the British Monarch, represented in New Zealand by the Governor General. The Cabinet, formed of Ministers chosen by the governing party or parties from among its Members of Parliament, governs through ministries and departments staffed by professional civil servants. The court system is based on the British legal system. The highest court of appeal is the Privy Council in London.

# TRADE POLICY

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With a population equivalent to that of Metro Toronto, New Zealand is sometimes dismissed as a small and distant market. Yet, for a number of Canadian companies, it has become a very profitable market and is especially suited to small- and medium-sized exporters.

Since 1984, the New Zealand economy, once one of the most highly regulated and protected in the developed world, has undergone radical liberalization designed to force New Zealand industry to become more internationally competitive. The import licensing regime has been dismantled and there has been a significant program of tariff reductions.

New Zealand is emerging from a slowdown which began in 1985 and is reflected in part by the strains of adjustment to the new economic regime. New Zealand's GDP increased by about 1 percent in 1991.

In 1995 Canadian exports to New Zealand rose to about \$185.5 million, up from \$144.9 million in 1994. Increased sales of fertilizers, wood, and mechanical appliances made the biggest dollar impact, but such advanced, value-added exports as electronic and industrial equipment, precision equipment, sporting equipment and pharmaceuticals were all up about 30 percent. New Zealand's exports to Canada are large dollar

sales of bulk commodities, valued at \$298 million in 1995. Their exports are steadily rising, up about 25 percent from 1992.

The New Zealand-Australia Closer Economic Relations Agreement was fully implemented July 1, 1990. This free trade agreement, including a corporate tax structure similar to Canada's, benefits Canadian companies willing to invest in New Zealand.

Deregulation and trade liberalization have opened New Zealand's doors to foreign suppliers. Even government contracts have gone to international tenders and several Canadian companies have been successful. With the advantage of preferential tariff rates that Canada enjoys, Canadian industry should be in a prime position to increase exports to New Zealand. Unfortunately, one natural barrier to increasing Canadian exports to New Zealand is high transportation costs.

With the shift in the New Zealand economy, the country is much more open to international trade, and many barriers and obstacles have been removed. As a consequence, in the building materials sector, imports are more significant than a decade ago. In 1993 the import component of the building materials market constituted 11 percent of the total.



# HOUSING CONDITIONS

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## Overview

New Zealanders enjoy one of the highest standards of living in the world. About 70 percent of New Zealand families own their homes. Although about four-fifths of the people live in urban areas, New Zealand's cities are not crowded. Most New Zealanders live in single-family houses. In the larger cities, some people live in highrise apartment buildings.

There is a substantial use of frame construction methods, although older dwellings are British-style masonry. Wood and wood products are manufactured locally. Competent builders and land developers are also available locally.

The total housing stock represented 1.2 million units in 1992, a year in which 18,000 building permits were issued. The population growth rate of the country is moderate. In 1992, the total expenditure on housing represented 4.1 percent of GDP. The total expenditure on housing was US\$5.1 billion in 1993, or US\$1,145 per capita (11.5 percent of GNP per capita).

There are minimal market barriers to housing construction. The local planning approval systems have no unique restrictions. However, environmental protection is taken seriously.

The annual per capita GDP is US\$16,500 (1996). With average house prices of US\$86,000 and an occupancy rate of 2.8 persons per household, New Zealanders' buying power is similar to that of Canadians. In fact, home-ownership in New Zealand is higher than in Canada. Furthermore, incomes in New Zealand have risen over the past decade, creating more disposable income.

## Government Structure and Role

Since 1984, there has been a profound shift in the role of the government in life in New Zealand, including its role in the housing market. An international debt crisis forced a complete re-evaluation, with a subsequent neo-conservative shift to the private sector. As a consequence, the government has been removed from most of its previous roles. In line with this change in philosophy, the role of the government in housing is being reduced.

Nevertheless, the roles and existence of various agencies and institutions still reflect a significant public sector role in the housing sector. Rents are still controlled. The government remains the largest landlord in the country through Housing New Zealand Limited, which owns over one-quarter of the rental housing units. Through the Housing Corporation of New Zealand, mortgage funds are made available to the low-end of the market. The Ministry of Housing is charged with ensuring adequate housing for the population through its policies and agencies.

## Political Influences

While the regulations for land use, environmental considerations and building materials are set by the national government, the implementation is generally left to local authorities. With respect to the importing of building materials, the regulations pertaining to this fall under the jurisdiction of the national government, and in this context, the New Zealand economy is very open to imports.

The usual restrictions to the housing industry apply—land use and environmental constraints, regulations pertaining to the use of building materials, and respect for the building code, introduced in 1992.

# HOUSING SECTOR

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## Overview

The market in New Zealand can absorb between 17,000 and 20,000 units per year. In light of the most recent statistics, it was expected to fall below this range in 1996. Renovation activities typically have a dollar value of about 20 percent of new construction activity, although this activity can be considered rather more insulated from recessionary trends than new construction.

Due to the fractured nature of the New Zealand housing industry, it is not surprising that there are no significant major housing construction projects in New Zealand at present.

The New Zealand housing industry is able to respond to the housing needs of the nation. As an indigenous industry, it is normal that a clear understanding of these needs marks the industry. Given the number of small sub-markets, it may be that the pattern of numerous small contractors is appropriate. On the other hand, larger building companies may offer economies of scale.

## Major Participants in the Housing Industry

Governmental policy concerns over housing are reflected in the existence of the New Zealand Ministry of Housing, as well as two other New Zealand housing organizations: Housing New Zealand Limited and the Housing Corporation of New Zealand. The latter two will be dealt with under the heading Key Housing Market Institutions.

Although the national government sets most of the codes and standards pertaining to building materials and construction, as well as mandating approvals from an urban planning perspective, it is the local authorities that are responsible for the implementation of these.

Given the small size of the New Zealand population, as well as its stability, it is not surprising that the builders and construction companies active in house construction tend to be small and medium-sized. To the extent that they

build on spec, marketing directly to these would be fine-grained and time-consuming.

As in Canada, building materials within the country are distributed by such materials suppliers as building centres and hardware stores, focussing on the construction trades and the retail sector, respectively.

New Zealand has one of the highest rates of home-ownership in the world—74 percent—as recorded in the 1991 census. As a consequence, the role of landlords in the housing market is rather limited. In fact, the largest landlord is Housing New Zealand Limited, which is owned by the government, and administers 70,000 dwellings. Also, there is rent control in New Zealand, which might slow expansion of this type of economic activity.

The use of real estate agents in the selling of homes continues to be the option of choice, although there is some increase in the presence of the legal profession in this area. There are several companies that are well represented throughout the islands—one company has 145 offices—and many are turning to the Internet as a marketing tool.

As in Canada, there is a competitive mortgage market to take care of the lending requirements of the housing market. Since the difficulties associated with the rethinking of the role of the government in the New Zealand economy about a decade ago, interest rates have stabilized and reflect mortgage rates in North America. The most active lenders include registered banks, savings institutions, finance companies, merchant banks and stock and station agents.

Other agencies and institutions that have an impact on the housing industry and market in New Zealand include The Building Industry Authority, responsible for the administration of the National Building Code; the Building Research Association of New Zealand; and housing-related faculties of some of the universities.

## Key Housing Market Institutions

The New Zealand Ministry of Housing has a mandate to develop and implement the



government's strategic priorities for housing based on the principles of effective use of resources, and fairness. Its principal activities consist of providing policy advice on housing and housing-related issues; ensuring the lodgement, safe custody, and repayment of residential tenancy bond money (Security deposits); and education, advice and dispute resolution services for landlords and tenants.

With respect to the policy imperatives in the housing field, the Ministry is guided by the following:

- broadening the options available to low-income New Zealanders to meet their accommodation needs;
- appropriate community-based accommodation to maximize the options of individuals with mental health and disability support needs;
- specific housing problems such as rural Maori housing; and
- the provision of housing in areas where housing needs are not being met by the private sector.

Other governmental agencies include Housing New Zealand Limited, which administers the 70,000 dwellings owned by the government, and provides accommodation to low-income people at market rents. It competes on the open housing market. The Housing Corporation of New Zealand is a lender of last resort to borrowers who have difficulty finding financing on the open mortgage market. The organization is similar in this function to CMHC. Local governments are generally restricted to regulatory activities.

Regulation of the building industry and building materials is controlled at the local level, which also determines necessary compliance with land use controls. With respect to the National Building Code, authorization for its enforcement is delegated to the municipalities by the Building Industry Authority (BIA), which falls under the Department of Internal Affairs. The BIA will accept certification by a recognized agency such as BRANZ, and such materials will have to be accepted by local approving authorities.

The predominant Technical Research Institute is the Building Research Association of New Zealand, or BRANZ. This institution is financed by a building research levy, as well as from its consulting work. In addition to the technical research done, it also does various types of economic and financial analysis, and product appraisals. BRANZ is generally responsible for the certification of compliance with the building code.

## Relevant Regulatory Systems

The legal system, as it pertains to land ownership and to business, is very similar to the Canadian system. With respect to property, the land registration system shares its roots with the ones found in Canada, and mortgages are standard instruments of real estate financing. A typical cash down payment tends to be 30 percent, instead of 25 percent as is typical in Canada. Contractual rights are also backed by the British-style judicial system.

The national government delegates local governments with enforcement of the various codes and regulations pertaining to housing. In rural areas, in addition to a building consent, there is a requirement that the development does not have an impact on the rural economy or quality of life.

There are development fees; in addition, there is a levy to sustain the Building Industry Authority of NZ\$1.00 per NZ\$1000 valuation), and another levy to sustain the Building Research Association of New Zealand of NZ0.80 cents per NZ\$1000 valuation.

With respect to approvals, the situation is similar to that found in Canada. Developments must conform to official plans, there is a building code which must be respected for new construction, and there are building materials standards that must be met. Permits for individual buildings—Building Consents—include many of the various aspects that typically must be verified in granting a building permit: title search, site plan approval, drainage and sewage acceptability, and so forth.

The adequacy of municipal infrastructure is on a par with the general situation in Canada.

The New Zealand housing market is well serviced by the necessary utilities, with electricity, water, sewage and telephone service virtually universal.



## Housing as a National Priority

Subsequent to the massive restructuring of the New Zealand economy in the 1980s, the government has pursued a course of non-interference in the workings of the market places of the economy, including to a large extent, the housing market. Nevertheless, it is clear that a certain priority is assigned to rural Maori housing, and there is a system of rent control in place to meet another priority: the assurance of the availability of affordable housing.

In terms of the demographics, economic structure and economic performance, no dramatic shifts or trends are foreseen for the housing industry in New Zealand. The growth in the housing industry can be attributed in large part to immigration, rising incomes, and natural population growth.

## State of the Local Housing Market

The New Zealand housing market is stable and mature. According to the 1991 census, the housing stock stood at 1.18 million dwelling units in New Zealand. Annual sales are typically in the range of 75,000 units.

As there is a functioning and stable market in effect in New Zealand, there are no significant surpluses or shortages of housing in the market.

Notwithstanding the points above regarding the housing market, it is noted that from March 1996 to June 1996, there was a noticeable slowing of the housing market, particularly in Auckland. This is attributable to three factors: a perception that housing is overpriced, having increased significantly over the past few years; the danger and perception of rising interest rates; and a move to curb immigration, a motor of growth for the housing market. This feeling is present, albeit to a lesser degree, in other New Zealand cities.

The market for new residential construction is stable. Between 1980 and 1994, approximately 19,000 new dwellings were constructed annually, ranging from 17,000 in 1980 to 23,000 in 1985. Housing starts for 1996 were projected at 22,000 units.

According to BRANZ, residential construction was expected to be about US\$1.16 billion, including renovation and new starts.

Annual dollar growth has been in the 4-percent range. Of this figure, half are for building materials, with the result that the total imports of building materials (including materials for residential purposes) was US\$100 million in 1995.

According to BRANZ, residential renovation activity was expected to be about US\$230 million in 1995. Annual growth has been in the 4-percent range.

## State of the Local Distribution System

The path to market for building materials in New Zealand is similar to that found in Canada, with distributors and building materials centres catering both to trades and the public, and specialty retailers. It is interesting to note that a major Canadian building centre operation has advised a New Zealand distributor on how to set-up a Canadian-style home building centre. The building materials distribution market is characterized by large home building-type centres similar to Beaver Lumber type of operations being prevalent—examples are Benchmark, Placemakers and Mitre Ten.

By way of examples of the path to market of specific promising products, consider the case of bathroom ceramics. Households are the principal point of consumption, guided by an architect or builder. Fibreglass insulation products are specified by builders; the DIY market is also quite large. In response to this, there are chains of retail outlets—building centres—that answer the need of this important market. Locks depend mainly on the DIY market.

As far as the distribution of building materials within the country, the situation parallels the Canadian one. At the retail level, there are hardware stores and more significantly, building centres; at the wholesale level, there are contractors building depots. In addition, certain speciality items are sold either directly by the manufacturer, or by resellers, specializing in one specific sector of the building materials market.

With regards to bringing Canadian goods into New Zealand and distributing them, the two most common approaches, given the fractured nature of the housing market, is through an agent or an importer-distributor. The difference is that the

importer-distributor will have stock on hand. Both of the above approaches are suited to the building materials field, which typically requires that there be technical knowledge on hand so that customers can be supported in the use and repair of the product.

Two other approaches are direct sales, and the setting-up of a subsidiary or joint venture. Given the size of the market, setting-up a subsidiary may not be feasible unless there is the possibility of entering other Pacific Rim markets through New Zealand. Direct sales of building materials would seem to be a marginal proposition, given the shipping costs. Depending on the location of an appropriate partner, a joint venture could be a viable entry vehicle.

## **State of Local Transportation Networks**

New Zealand has 4,700 km of railway lines, and 90,000 km of highways, of which 50,000 are paved. New Zealand's imports and exports are carried by sea (about 90 percent by value and 99 percent by volume). New Zealand has 13 major commercial ports, and these ports are undergoing vast improvements in productivity and efficiency. The principal ones being Auckland, Christchurch, Wellington, Dunedin and Tauranga.

Given the above infrastructure, coupled with the fact that New Zealand is one of the world's most urbanized countries (85 percent of the population lives in urbanized areas), it can be seen that the transportation system for both persons and goods is an efficient one, and accessibility within the country is good. It must be kept in mind, however, that the distance from the Canadian West Coast and New Zealand is great.

# ***MATERIALS, LABOUR AND FINANCING***

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## **Materials**

With respect to building materials, it has been noted that the New Zealand lumber industry is strong, so the supply of wood products is good.

## **Labour**

Unskilled labour is generally in good supply, but there are shortages in some skilled areas in the building sector.

## **Financing**

Other than the Housing Corporation of New Zealand, the commercial banks provide mortgage funds for home acquisition. Competition in this

field has brought a flexibility to the market similar to the situation in Canada, with a varied mix of products being available on the mortgage market.

The dominance of the private banks in the home mortgage market can be seen by the fact that such instruments constituted 42 percent of all bank lending to the non-bank private sector, and M3 institutions (registered banks, savings institutions, finance companies, merchant banks and stock and station agents) provided 90 percent of all mortgage approvals in 1993. The state-owned New Zealand Housing Corporation's share of the mortgage market has dropped to less than 1 percent. After peaking in the mid-1980s at 20 percent, first mortgage rates have dropped to under 10 percent.



# ***HOUSING MARKET ACTIVITY, NEED AND DEMAND***

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## **Local Technology**

According to the 1991 New Zealand census, there are 1.2 million dwelling units in New Zealand. Of these:

- 1.16 million were permanently occupied;
- 850,000 were owner-occupied;
- 270,000 were rented (70,000 by the government agency, Housing New Zealand Limited); and
- 460,000 had a mortgage held against them.

Standards are high and comparable to Canada, services are virtually universal. For example, in 1991, only 1.4 percent of all dwellings had no form of heating.

Of the 1.2 million dwelling units in New Zealand in 1991, according to the census, the breakdown was as follows:

- single-unit housing: 951,000;
- duplexes or doubles: 66,000; and
- multi-unit (three or more units): 20,000.

Interestingly, between 1986 and 1991, the number of single-unit homes grew by 10 percent, doubles and duplexes by 7 percent, and multi-unit buildings by 0.2 percent. Most of the demand for new housing is in the medium- and high-cost segments of the market, and this is expected to continue for the next three years. The average size of houses built between 1973 and 1990 was 123 m<sup>2</sup>. With an occupancy rate of 2.9 persons per household, this translates to a density of 42 m<sup>2</sup> per person.

Since at present 74 percent of the population lives in urban areas, the bulk of housing is located in urban areas. This is even more true with respect to duplexes, doubles and multi-unit buildings. It is anticipated that the bulk of present building activity will be taking place in the Auckland region.

The most common building systems in use in New Zealand are light timber framing for housing and reinforced concrete for multi-storey buildings. As

wood grows more expensive, it is being replaced gradually with substitute materials, e.g., vinyl cladding instead of wood boarding. However, New Zealand's forestry industry is competitive, and fully capable of supplying the nation's own needs.

It is significant to note that the DIY market has a long tradition in New Zealand, particularly since home-ownership is such a dominant form of tenure.

## **Local Housing Activities**

The number of builders in New Zealand is considerable as the typical contractor firm has 5 or less employees. This type of builder accounts for over half the housing units constructed annually, and 90 percent of the contractors in the country fall into this category. (Source: Master Builders Association of New Zealand Ltd.—private conversation). A large builder of housing would be a company such as Key Homes, which might build 100 units a year.

The contractor/sub-contractor relationship in New Zealand is very similar to the situation in Canada. In the case of the common small contractor-builders, there is a dependence on sub-contractors. Some of the larger builders will have tradesmen on staff.

There was a dramatic shift two years ago in the apprenticeship program in New Zealand. Previously, the prime financial responsibility of the program rested on the government, and the system was one typically based on hours served as an apprentice. There are a couple of results of this. For one, the quality of the trades is rising. Previously, there was little emphasis on the quality of the work of the apprentice, only that the prerequisite number of hours had been served. Now there is a much greater emphasis on the acquisition of skills, with tests and certifications.

Another ramification is that the financial burden of training tradesmen has been shifted from the shoulders of the government to those of the apprentice and the training company. As a consequence, there is a developing labour shortage in some of the trades. Specific reference

in this context was made to bricklayers and plumbers (Master Builders Association of New Zealand Ltd.).

The quality of construction is very similar to that found in Canadian housing.

As stated, the industry is characterized by small contractors. Given the shift in the apprentice system, it can be expected that there will be some labour shortages in selected trades, and that the cost of tradesmen will rise. It is noted that even at present, there is a reluctance on the part of some trades to train apprentices, who can be viewed as potential competitors for work. Consequently, as a general rule, there will be an opportunity for the introduction of measures, products and processes which will save on labour costs, particularly with respect to the trades. The following table provides information on availability, quality and cost in various areas.

**Table 1:**  
**Characteristics on Availability, Quality and Cost in Various Areas**

	Availability	Quality	Cost
Local Materials	Wood products particularly plentiful	Good	Competitive
Building Skills	Tightening, in light of falling unemployment and the changes in the apprentice program	Average, but with a trend to rise	Rising
Financing	Same as in Canada	Product ranges similar to Canadian offerings	First mortgages about 10%; concern over possible rises

## Housing Need

The New Zealand housing market is a mature one, and there is no evident shortage of materials or expertise.

The economy continues to perform well, a clear indication that the adjustment to the new economic order has taken place. In 1992 and 1993, the economy grew at a pace of 3 percent annually, increasing to 6.2 percent in 1994. It is expected to maintain a real growth rate of 3 percent through 1997. This is reflected in similar growth in the

construction industry—in 1993 and 1994, this sector grew at an annual rate of 7 percent. The growth in imported building materials will be in the 4-5 percent range over the next few years.

## Growth in Housing Starts

Given the stability of key aspects of the New Zealand society—demographic, economic, social—it is not expected that there will be any appreciable growth in new construction in the housing sector, that is to say, just over 20,000 new units constructed annually. This rather high number is attributable to a couple of factors: low interest rates, after a period of higher rates, and immigration. This situation is expected to persist for the next three years.

## Income Levels

GDP per capita is estimated to be US\$16,500 in 1996. As a result of rising incomes, the disposable incomes are also rising, which are reflected in a rising demand for higher quality in the home in general. In light of the relatively low cost of housing—the average detached house price in 1993 was US\$86,700, and that of a condominium unit was US\$77,100. It remains an accessible commodity.

## Employment Levels

The unemployment rate has averaged at 6 percent in recent years, a continued and steady decline. The trend is viewed as confidence-inspiring and a positive factor in the assessment of the housing market.

Affordability is not a problem with respect to acquiring housing for the vast majority of New Zealanders, and in fact, 74 percent of all housing is owner-occupied. In addition, there is significant renovation activity, representing 20 percent of all residential construction activity in 1994.

## Other Factors Influencing Demand

The number of persons per households continues to drop, falling below three in the 1991 census. The number of “empty nesters” now constitutes over 30 percent of all New Zealand households, and over half have only one or two persons in a dwelling unit. Almost 20 percent of households consist of one person.

Cultural factors involved in setting the demand for housing are similar to what one would find in

Canada; not surprising, given shared Eurocentric roots of the majority of the two populations. However, home-ownership is significantly higher

in New Zealand: 74 percent versus 62 percent in Canada.



# EXPORT OPPORTUNITIES AND STRATEGIES

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## Overview

New Zealand, with a climate and lifestyle similar to Canada, is a promising market for Canadian building products, services and technologies. Exports of building products to New Zealand totalled \$14 million in 1994. Recent changes in the economy will make this market more accessible in the future.

## Potential Housing Import Demand

In assessing the overall attractiveness of the New Zealand building materials market, four factors should be kept in mind:

- the New Zealand market is very small;
- it is also very similar to the Canadian market, as are the associated institutions;
- it is a very distant market from Canada; and
- New Zealand's forestry industry may make many of our strongest exports less than viable.

There are opportunities that should be noted:

- The cost of trades is expected to rise as a result of the reforms to the apprentice system. Products that cut down on the need of such inputs will have an advantage.
- On the basis of Canadian experience in energy conservation, it is expected that there is an opportunity for expertise and materials with an energy conservation dimension.

There are several specific areas that offer potential for Canadian exporters. Some of the Canadian kitchen cabinet manufacturers are very aggressive in both price and quality. There are two product ranges that Canadian manufacturers offer: lower-end products for the KD market, and pre-assembled units for the up-scale market. Both types of manufacturers are confident of their ability to compete. Due to the strength of the New Zealand forestry industry, joint ventures and technology sharing may be a more productive approach to the New Zealand market.

Closet doors are also a promising Canadian export. In terms of imports, Australia is a key player in the New Zealand market. Typically, Australian closet doors are extruded aluminum-based, whereas the Canadian product is rolled steel-based. This should present a price advantage for the Canadian product.

Products that reflect Canadian concerns regarding energy conservation will also have appeal in New Zealand. All but 1.4 percent of New Zealand's housing has heating. As a result, there is an entire range of Canadian products and services that show promise. There is a market for insulation materials in bat and sheet, and board configuration is an area of promise.

## Principal Foreign Competitors

Imports of building materials to New Zealand account for 11 percent of the needs of the island's construction industry. In 1993, this amounted to US\$100 million. Of this, Canadian exports to New Zealand were US\$11 million or 11 percent of the total. Other significant exporters to New Zealand are, in order of rank, Australia, the U.S., Taiwan and Germany.

New Zealand has extensive forests that produces and exports wood and wood products competitively. In terms of foreign investment in this sector, the Japanese have been particularly active: 6 of the 13 major Japanese investment sectors in New Zealand have been in this area. With some wood and wood-derived products, New Zealand is a competitor rather than a consumer.

Canadian services exports are almost exclusively related to red cedar from British Columbia. About 40 percent of all building materials imports in 1993 was in the sub-sectors of bathroom ceramics, fibreglass insulation, steel and aluminum structural components, and locks and metal-mounted hardware products. The 1993 market share was:

- Australia 34.7 percent;
- U.S. 13 percent;
- Taiwan 11 percent;
- Germany 7.1 percent; and
- Austria 6.5 percent.

With respect to services, consulting services in the areas of energy conservation, environmental protection and building materials distribution have been imported in the past.

With its new trade orientation, New Zealand can be expected to continue opening its markets to

offshore trade. Due to its proximity, trade agreements (Australia-New Zealand Closer Economic Relations Trade Agreement, or ANZCERTA), and lack of major cultural differences, Australia is continuing to play the dominant role among exporters to New Zealand.

# BUSINESS ENVIRONMENT

## Overview

There is an affinity between Canada and New Zealand that makes that country one of our most easily accessed markets. New Zealand with its population of approximately 3.4 million people is a small but highly competitive, modern and sophisticated market.

Many of New Zealand's imports originate from Australia. Depending on the industry sector, however, Canadian companies selling to New Zealand also face competition from Japan, the United States, Great Britain and other European Union countries. Local representation will greatly enhance export potential, and is essential where support and service back-up are concerns for clients.

There are several aspects of doing business in New Zealand that facilitate the process for Canadian exporters and contribute to a potential demand for Canadian products:

- there is a shared cultural heritage encompassing a common language as well as a common legal system;
- business practices are in general similar; and
- support services, such as car rentals, cellular telephones, IDD phones and banking are all similar, and are as easily available as in Canada.

New Zealanders have a reputation for being quick to adopt new approaches and technologies. There is a natural affinity for Canadians and Canadian products, due to the shared history of being part of the British Empire, and now the Commonwealth. This is reflected in a slight tariff advantage conveyed on Canadian versus U.S. products.

## Business Customs

Business customs practised in Canada will transfer well in New Zealand. It is common practice to make and keep appointments. Corporate officers to the most senior level are usually reachable and open to business discussions.

Normal commercial travel agency assistance is appropriate for travel and hotel arrangements while travelling in New Zealand.

New Zealand's legal holidays are listed in the following table:

**Table 2:  
Holidays**

January 1	New Year's Day
January 22	Wellington Anniversary Day (Wellington only)
January 29	Auckland Anniversary Day (Auckland only)
February 6	Waitangi Day
March/April	Good Friday
March/April	Easter Monday
April 25	ANZAC Day
June	Queen's Birthday
October	Labour Day
November 4	Marlborough Anniversary (Blenheim only)
November	Canterbury Anniversary (Christchurch only)
December 25	Christmas Day
December 26	Boxing Day

## Business Infrastructure

Travelling in New Zealand is as easy as travelling in Canada. Car transportation (rental, taxi, purchase) is problem-free, excluding the issue of driving on the left-hand side of the road. Airplane service is available between Wellington and Auckland on a hourly basis with less frequent service to smaller towns.

Hotel and restaurants are abundant and for the most part economically priced. Food and water are handled in a sanitary manner. Wide choices of restaurants from fast food to upscale environments and from American to Asian cuisine are readily available in the urban centres. Hotel accommodation can be spartan in rural regions, but upscale and mid-range accommodations are available in the metropolitan areas. New Zealand is known for its designation sports lodges and has a very wide network of Bed and Breakfast and Farmstay inns.



The New Zealand health system consists of public, private and voluntary sectors that interact to provide and fund health care. The public sector provides free treatment at hospitals for emergency and major problems, including maternity and geriatric care and free dental treatment for those under 18 years of age. Because public hospital waiting lists have increased, there is greater interest in private medical insurance. Therefore, private hospital care is becoming a more important player in the system. It is recommended that coverage is obtained before entering the country to ensure a safety net.

New Zealand's telephone line density ratio is slightly over 49 lines per 100 people which is comparable to European ratios. Its switch gear and line quality is more than satisfactory for facsimile transmission. The country supports many long distance billing services (Telecom, MCI, AT&T, Sprint, and more). There are currently two cellular networks, BellSouth and Telecom. Rental services are available on both for visitors.

Weather is changeable, typically with short periods of a few days of settled or unsettled weather. Due to the proximity to the ocean, the climate is temperate. The seasons are reversed from the northern hemisphere with summer weather during the November to March period. Temperature extremes are mainly confined to places east of the main ranges.

## Distribution and Sales Channels

Marketing channels in New Zealand are very similar to those found in Canada. The size of the market will allow one to two distributors per manufacturer.

The principal import channels are sales agents, importer-distributors (distributors who import and stock certain lines and take orders for direct shipment of others), and direct importers and users. Sales agents are the common medium for selling a variety of products, including producers' materials bought according to specifications and consumer goods for distribution to large wholesalers and retailers. The preference for buying direct from manufacturers is well established in New Zealand. A number of sales agents carrying a broad range of products have

developed special departments and technical personnel to market products requiring specialized knowledge.

Agents or importer-distributors are a common channel for the distribution of products involving technical knowledge, service, repairs and parts, and other more involved service for the manufacturer.

Numerous subsidiaries of foreign manufacturers import directly from parent companies and distribute products to round out or supplement their domestic production. Import and distribution by a New Zealand branch or subsidiary is common when the volume is substantial and the foreign parent wishes to retain control of distribution.

A number of well-established companies with nationwide networks of offices perform, in addition to trading activities, a broad range of other functions such as transportation, packaging, manufacturing, and distribution at both the wholesale and retail levels. These firms are usually excellent representatives for new products seeking market penetration, although they usually import products to complement existing lines.

With the growth of the New Zealand economy, there has come some blurring of the traditional pattern of the channels of distribution. In the past, wholesalers provided the link between manufacturers and retailers. Large department and chain stores dealing directly with manufacturers or having factories of their own, and associations of retailers buying in bulk, together account for a significant volume of goods. In addition, some manufacturers have established organizations for the purpose of selling direct to retailers, while smaller manufacturers often sell to retailers located in areas adjacent to their factories. Wholesalers sometimes extend the scope of their activity to include manufacturing, packaging and retailing.

## Finding a Partner

Many New Zealand agents and distributors are active participants in trade fairs world-wide as both exhibitors and attendees. This activity places them in direct contact with new product opportunities. Manufacturers then use their own credit and reference checking resources to verify the competency of the agent-distributor.

## Joint Ventures and Licensing

There are no compulsory requirements for foreign companies to form a joint venture with a New Zealand entity when starting up operations. Some foreign firms do choose, for their own strategic reasons, to join forces with established New Zealand firms to jointly manufacture and market their products.

Licensing by the New Zealand government for export and import activity was repealed as part of the significant deregulation of the economy that occurred in 1983-84.

## Establishing an Office

As in Canada, an individual may establish a business without incorporation, subject to various formalities and authorizations that may apply to specific types of activities. The owner has the sole responsibility for the operation and is personally liable for debts of the business.

The types of partnerships and the general principles relating to the rights and liabilities of partners are similar to those applying under Canadian law. Generally, a partner is jointly and separately liable for all debts of the firm while that person is a partner.

A special partnership, similar to a limited partnership under Canadian law, may be formed for transaction of business other than banking and insurance. Such a partnership must be registered and consists of general partners and special partners. Special partners may not transact the business of the partnership. Rather, they contribute specific sums of money to the capital of the business and, beyond that sum, they are not generally responsible for any debt of the partnership.

The New Zealand companies law has recently been substantially amended. From July 1, 1994, the new Companies Act 1993 governs all new companies (and existing companies which re-register under the new Act). The Companies Act of 1955 will continue to govern existing companies until they voluntarily re-register, or until 30 June 1997, whichever is the earlier.

Under both Acts, companies may have limited or unlimited liability. However, the great majority of

companies are established as limited liability companies. The shareholders of limited liability companies are liable to creditors on dissolution only to the extent of any unpaid calls on their shares. A limited liability company must have the word "Limited" as the last word of its name.

Under the new Act, there is no distinction drawn between private and public companies. However, under the 1955 Act, private companies need not observe all the requirements applying to public companies, examples being the rules relating to forming companies, passing resolutions, and audits.

## Selling Factors and Techniques

Both sales presentations and problem-solving techniques are used successfully in New Zealand as approaches to selling. One-on-one discussions with potential buyers is the predominant method of selling capital intensive or service products to other businesses. Telemarketing and mass media advertising are used most often by retailers to communicate to the public new products or purchasing opportunities.

## Advertising and Trade Promotion

Advertising is well developed in New Zealand and is used by a large cross-section of the business and institutional community to inform the public about goods and services. There are approximately 150 advertising agencies, most of which are New Zealand-owned. However, about 30 are affiliated to multinationals by total or partial ownership.

The largest share of advertising in New Zealand is handled by the 28 daily newspapers. Eight of these are morning newspapers and 20 are published in the evening. Of the 8 morning dailies, the one with the largest circulation is The New Zealand Herald, which is published in Auckland and has an audited net circulation of 238,851 copies daily. The other dailies have circulations ranging from 3,000 to about 100,000. Other major newspapers are The Dominion and the Evening Post (Wellington), The Waikato Times (Hamilton), The Press (Christchurch), and the Otago Daily Times (Dunedin). There are 2 national Sunday newspapers, The Sunday Star Times (circulation 183,701) and The Sunday News (circulation 121,122).



Currently, 2 major companies own the majority of the country's daily papers. The two major publishing groups are Independent Newspapers Limited (8 papers) and Wilson and Horton Limited (8). These 2 firms account for 90 percent of the country's 1 million daily circulation.

The leading business journal is The National Business Review (circulation 12,782). It is published weekly by Liberty Holdings Ltd. in Auckland. Another weekly financial journal is The Independent (circulation 9,756). It is published by Pauanui Publishing Ltd. in Auckland.

There are over 2,300 magazines available in New Zealand on a regular basis. Of this number, 58 are listed with the New Zealand Audit Bureau of Circulations as being either published in New Zealand or New Zealand editions. Most local magazines (34) are published monthly, 11 are published on an alternate month basis, and 6 are weeklies.

New Zealand is serviced nationally by 3 television stations and a pay-for-view vendor that presently offers 5 additional choices. Television New Zealand (TVNZ), the operator of two of the 3 (free) commercial channels, is a State-owned Enterprise (SOE) run independently from the government. It claims to have almost 100 percent coverage in New Zealand. TV3 Network Ltd. (TV3) is New Zealand's privately owned commercial network and reaches about 96 percent of the population.

There are 2 self-regulatory bodies in New Zealand's advertising industry, the Advertising Standards Authority and the Advertising Standards Complaint Board. Additionally, the Broadcasting Standards Authority (statutory) is responsible to radio and television advertising code and adjudication.

## Pricing Products

There are no government price control regulations.

## Sales Service and Customer Support

Sales service and customer support is a growing area of focus for New Zealand retailers and manufacturers. Historically, under the controlled economy of the 1950s and 1960s, the consumer

did not have many choices or opportunities to speak out. With the removal of import and export licenses and further movements to encourage competition in the market place, the buyer has become more demanding and sophisticated; a buyer's market exists.

## Selling to the Government

New Zealand has effectively removed all barriers to foreign firms bidding and winning procurement contracts. The Closer Economic Relationship (CER) with Australia allows Australian goods to be considered equal to New Zealand goods. This factor only comes into consideration when all bids are equal and the tenderer reviews "local content" value to finalize the purchase decision. While there are no laws that require "local content" consideration, the New Zealand government has encouraged its State-owned Enterprises (SOE) procurement officers to buy New Zealand-made products when all other factors are equal.

The New Zealand government has yet to sign the GATT Government Procurement Code. Government departments and the State-owned Enterprises must act as efficiently as possible within their limited budgets and may purchase from any source, if they believe it offers good products at a reasonable price. The government believes that since purchasing decisions have been decentralized, open and transparent tendering is ensured and that its procurement policy is actually more liberal than that required by the GATT Government Procurement Code.

## Protecting Your Intellectual Property

New Zealand Intellectual Property Laws have been under review for a number of years. Since 1995 some significant amendments have been made to patent law with the introduction of the Patents Amendment Act 1994, to trade mark law with the Trade Marks Amendment Act 1994 and introduction of the Geographical Indications Act, and to copyright law with the introduction of the Copyright Act 1994 and the Layout Designs Act 1994.

Patents are obtainable for "any manner of new manufacture", a phrase to which a wide interpretation is given. Those who wish to protect an invention by a patent should arrange for a search of New Zealand Patent Office records to determine what has been done in the same field. If



the invention appears to be one which is novel and patentable, an application may be filed at the Patent Office, accompanied by either a provisional or complete specification describing the invention. The documents must meet formal requirements, and a fee must accompany the application.

### **Need for Local Legal Assistance**

The legal system in New Zealand has developed from British law. Much of the law is codified, but English common law remains important in many areas. The system of courts extends from the district courts through the High Court and Court of Appeal to the Privy Council in London. The public receives protection under a Bill of Rights and may obtain information on request under the Official Information Act.

It is recommended to use local lawyers when registering a company, closing a contract, renting office space, or at any other time one would normally contact a lawyer in the normal course of business.

### **Regulatory Issues**

Goods manufactured outside New Zealand (and Australia under CER), especially materials and machinery required by local manufacturers and

farmers, are generally free of duty. Concessions are granted by the New Zealand Ministry of Commerce for goods not available from New Zealand manufacturers.

New Zealand is a contracting party to the General Agreement on Tariffs and Trade (GATT) and has granted preference on imports in a number of negotiations under GATT. Between 1988 and 1992, a five-stage tariff reduction program cut most industrial and agricultural tariffs by half, with larger cuts in high tariff areas. A further program for 1993 to 1996 will cut 1992 tariff levels by approximately one-third, reducing most tariffs to the 0 to 14 percent range. Motor vehicles, tires, and textiles-clothing-carpets and footwear will retain a relatively high tariff protection in July 1996 when the current reduction program was expected to be completed. Based on the current review, a tariff reduction program (which could reduce levels by one third by the year 2000) on these products must be in place before 1997.

With very few exceptions, goods imported into New Zealand are liable for Goods and Service Tax (GST). This tax, currently set at 12.5 percent, is payable on the sum of the Customs Value of the goods, plus any Customs duty payable, plus freight and insurance costs incurred in transporting the goods to New Zealand.

# CONTACTS

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## Canada Mortgage and Housing Corporation

Housing Export Centre

700 Montreal Road  
Ottawa, Ontario K1A 0P7

Tel.: 1-800-465-6212 or  
(613) 748-2000  
Fax: (613) 748-2302

## Canadian Government Departments and Services

Department of Foreign Affairs and  
International Trade (DFAIT)

InfoCentre  
Lester B. Pearson Building  
125 Sussex Drive  
Ottawa, ON K1A 0G2

Tel.: 1-800-267-8376 or  
(613) 944-4000  
Fax: (613) 996-9709  
FaxLink: (613) 944-4500  
InfoCentre Bulletin Board:  
Tel.: 1-800-628-1581 or  
(613) 944-1581

Canadian High Commission in New  
Zealand

Korea and Oceania Division (PKE)  
125 Sussex Drive  
Ottawa, ON K1A 0G2

Tel.: (613) 943-0897  
Fax: (613) 996-4309/  
996-1248

Canadian Consulate

3rd Floor, 61 Molesworth Street  
Thorndon, Wellington  
New Zealand

Tel.: (011-64-4) 473-9577  
Fax: (011-64-4) 471-2082

9th Floor, Jetset Centre  
44-48 Emily Place  
Auckland 1, New Zealand

Tel.: (011-64-9) 309-3690  
Fax: (011-64-9) 307-3111

## International Trade Centres

Newfoundland

International Trade Centre  
P.O. Box 8950  
Atlantic Place  
215 Water Street  
Suite 504  
St. John's, NF A1B 3R9

Tel.: (709) 772-5511  
Fax: (709) 772-5093

Prince Edward Island

International Trade Centre  
P.O. Box 1115  
Confederation Court Mall  
134 Kent Street  
Suite 400  
Charlottetown, PE C1A 7M8

Tel.: (902) 566-7443  
Fax: (902) 566-7450

Nova Scotia

International Trade Centre  
P.O. Box 940, Station M  
1801 Hollis Street  
Halifax, NS B3J 2V9

Tel.: (902) 426-7540  
Fax: (902) 426-5218

New Brunswick

International Trade Centre  
1045 Main Street  
Unit 103  
Moncton, NB E1C 1H1

Tel.: (506) 851-6452  
Fax: (506) 851-6429

Quebec

International Trade Centre  
5 Place Ville-Marie  
Seventh Floor  
Montreal, PQ H3B 2G2

Tel.: (514) 283-6328  
Fax: (514) 283-8794

Ontario

International Trade Centre  
Dominion Public Building  
1 Front St. West  
Fourth Floor  
Toronto, ON M5J 1A4

Tel.: (416) 973-5053  
Fax: (416) 973-8161

Manitoba

International Trade Centre  
P.O. Box 981  
330 Portage Avenue  
8th Floor  
Winnipeg, MB R3G 2V2

Tel.: (204) 983-5851  
Fax: (204) 983-3182

## International Trade Centres (cont'd)

Saskatchewan	International Trade Centre The S.J. Cohen Building 119-4 <sup>th</sup> Avenue South Suite 401 Saskatoon, SK S7K 5X2	Tel.: (306) 975-5315 Fax: (306) 975-5334
Alberta <i>* Edmonton office is also responsible for Northwest Territories</i>	International Trade Centre Canada Place 9700 Jasper Avenue Room 540 Edmonton, AB T5J 4C3  510-5th Street S.W. Suite 1100 Calgary, AB T2P 3S2	Tel.: (403) 495-2944 Fax: (403) 495-4507   Tel.: (403) 292-4575 Fax: (403) 292-4578
British Columbia <i>*Vancouver office is also responsible for the Yukon</i>	International Trade Centre 300 West Georgia Street Suite 2000 Vancouver, BC V6B 6E1	Tel.: (604) 666-0434 Fax: (604) 666-0954

## Export Development Corporation (EDC)

Ottawa	151 O'Connor Street Ottawa, ON K1A 1K3	Tel.: (613) 598-2500 Fax: (613) 237-2690
Vancouver	One Bentall Centre 505 Burrard Street Suite 1030 Vancouver, BC V7X 1M5	Tel.: (604) 666-6234 Fax: (604) 666-7550
Calgary	510-5th Street S.W. Suite 1030 Calgary, AB T2P 3S2	Tel.: (403) 292-6898 Fax: (403) 292-6902
Winnipeg <i>*office also serves Saskatchewan</i>	330 Portage Avenue Eighth Floor Winnipeg, MB R3C 0C4	Tel.: (204) 983-5114 Fax: (204) 983-2187
Toronto	National Bank Building 150 York Street Suite 810 P.O. Box 810 Toronto, ON M5H 3S5	Tel.: (416) 973-6211 Fax: (416) 862-1267
London	Talbot Centre 148 Fullarton Street Suite 1512 London, ON N6A 5P3	Tel.: (519) 645-5828 Fax: (519) 645-5580
Montreal	Tour de la Bourse 800 Victoria Square Suite 4520 P.O. Box 124 Montreal, PQ H4Z 1C3	Tel.: (514) 283-3013 Fax: (514) 878-9891
Halifax	Purdy's Wharf, Tower 2 1969 Upper Water Street Suite 1410 Halifax, NS B3J 3R7	Tel.: (902) 429-0426 Fax: (902) 423-0881

## New Zealand Government Offices in Canada

New Zealand High Commission	99 Bank Street Suite 727 Ottawa, ON K1P 6G3	Tel.: (613) 238-5991 Fax: (613) 238-5707
Consul General & Trade Commissioner of New Zealand	888 Dunsmuir Street Suite 1200 Vancouver, BC V6C 3K4	Tel.: (604) 684-7388 Fax: (604) 684-7333



## Multilateral Organizations

World Bank

Washington, DC 20433  
U.S.A.

Tel.: (202) 477-1234  
Fax: (202) 477-6391

Office for Liaison with International  
Financial Institutions

Canadian Embassy  
501 Pennsylvania Avenue N.W.  
Washington, DC 20001

Tel.: (202) 682-7719  
Fax: (202) 682-7726

## Business and Professional Organizations in Canada

Asia Pacific Foundation

666-999 Canada Place  
Vancouver, BC V6C 3E1

Tel.: (604) 684-5986  
Fax: (604) 681-1370

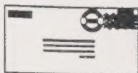
Alliance of Manufacturers and Exporters  
Canada

99 Bank Street, Suite 250  
Ottawa, ON K1P 6B9

Tel.: (613) 238-8888  
Fax: (613) 563-9218



## HOUSING EXPORT OPPORTUNITIES SERIES ORDER FORM



**CMHC**  
P.O. Box 35005  
Stn BRM B  
Toronto, ON  
M7Y 6E5



1-800-668-2642  
Outside Canada call  
1-613-748-2003



FAX TO  
1-800-245-9274  
Outside Canada  
1-613-748-2016

### METHOD OF PAYMENT

Check only one (individuals must prepay all orders.)

Charge to VISA, American Express or MasterCard.

To avoid double billing, please do not send confirmation.

VISA, American Express, and MasterCard.

To avoid double billing, please do not send confirmation. A fax will be treated as an original order.

<input type="checkbox"/>	Please charge my
<input type="checkbox"/>	VISA <input type="checkbox"/> American Express <input type="checkbox"/> MasterCard <input type="checkbox"/>
Card Number	
Expiry Date	
Signature	
<input type="checkbox"/>	Payment enclosed \$ _____
Please make cheque or money order payable to CMHC	

Please Print

Name		
Company or Organization	Position Title	
Address		
City	Province/State/Country	Postal/Zip Code
Telephone Number ( )	Fax Number ( )	

To Complete See Example on Reverse Side

ORDER NUMBER	REPORT TITLE	1 QTY	2 ITEM AMOUNT \$	3 TOTAL \$ AMOUNT 1 x 2	4 SHIPPING POINTS	5 TOTAL SHIPPING POINTS 1 x 4
	Please be sure the order number and report title match the listing				3	
					3	
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<b>SOURCE</b> (How did you hear about the product?)  TV AD <input type="checkbox"/> CATALOGUE <input type="checkbox"/> NEWSPAPER <input type="checkbox"/> FLYER/BROCHURE <input type="checkbox"/> MAGAZINE <input type="checkbox"/> OTHER <input type="checkbox"/>	<b>Subtotal Column 3</b>		<b>A</b>	<b>Subtotal Column 5</b>
	<b>SHIPPING CHOICE</b> Regular Mail <input type="checkbox"/> Courier <input type="checkbox"/>		<b>B</b>	
<b>U.S. AND INTERNATIONAL ORDERS</b> Please pay subtotal C in U.S. Funds (do not add GST or PST)	<b>Subtotal</b> (Add A + B)		<b>C</b>	Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount.  SEE EXAMPLE ON REVERSE
	ADD GST (7% of subtotal C)		<b>D</b>	
	<b>Subtotal</b> (Add C + D)		<b>E</b>	
	Quebec residents add PST (6.5% of Subtotal E)		<b>F</b>	
<b>Total</b> (Add E + F)		<b>G</b>		



### Shipping and Handling Charges

Points	Canada Regular Rates	Canada Courier Rates	U.S. Regular Air Rates	U.S. Courier Rates	International Regular Air Rates	International Courier Rates	Europe Courier Rates
1	2.55	5.00	5.00	11.00	7.00	24.00	19.00
2	3.65	8.00	6.50	14.00	9.00	30.00	25.00
3 to 5	5.80	11.07	8.11	30.75	12.18	63.75	47.75
6 to 10	6.18	11.07	12.46	34.75	20.61	88.75	55.75
11 to 20	6.43	12.35	18.08	42.75	38.77	118.75	71.75
21 to 40	6.94	14.90	23.81	58.75	64.65	193.75	103.75
41 to 60	7.44	17.62	29.48	74.75	68.12	253.75	129.75
61 to 80	7.95	20.51	35.15	90.75	117.36	313.75	149.75
81 to 100	8.45	23.35	40.92	106.75	146.60	373.75	169.75
101 to 120	8.96	26.20	46.59	120.75	166.71	433.75	189.75
121 to 140	9.46	29.05	52.31	134.75	184.72	493.75	209.75
141 to 160	9.97	31.90	58.00	148.75	207.45	553.75	229.75
161 to 180	10.47	34.75	63.71	162.75	228.92	613.75	249.75
181 to 200	10.98	35.60	69.38	176.75	250.29	658.75	269.75
201 to 220	11.48	40.45	75.05	190.75	N/A	718.75	289.75
221 to 240	11.99	43.30	80.72	204.75	N/A	778.75	309.75
241 to 260	12.49	46.15	86.49	218.75	N/A	838.75	329.75
261 to 280	13.00	49.00	92.21	232.75	N/A	901.75	349.75
281 to 300	13.50	51.85	97.88	246.75	N/A	958.75	369.75
Estimated Delivery times	2-3 weeks	5-10 days	2-3 weeks	5-10 days	4-8 weeks	12 days	12 days

Prices Subject to Change

### CMHC Return Policy

We will replace damaged materials and correct shipping errors if we are notified within thirty days after you receive your shipment. If an item is not defective or not mistakenly shipped, then it must be returned by you at your cost within thirty days of receipt. It must arrive here in resaleable condition for you to receive credit.

International Note: Most international return shipments arrive damaged. If you received damaged items, contact CMHC at (613) 748-2969. Please do NOT return the damaged items unless we ask.

### Example: To complete order form and determine shipping and handling charges

ORDER NUMBER	REPORT TITLE <small>Please be sure the order number and report title match the listing</small>	1 QTY	2 ITEM AMOUNT \$	3 TOTAL AMOUNT 1 x 2	4 SHIPPING POINTS	5 TOTAL SHIPPING POINTS 1 x 4
NHA 8003	Brazil	1	35.-	35.-	3	3
NHA 8009	Western Europe	2	23.-	46.-	3	6
					3	
					3	
<b>SOURCE</b> <small>(How did you hear about the product?)</small>  TV AD <input type="checkbox"/> CATALOGUE NEWSPAPER <input type="checkbox"/> FLYER/BROCHURE MAGAZINE <input type="checkbox"/> OTHER		Subtotal Column 3 <b>A</b> 81.-			Subtotal Column 5 <b>9</b>	
		<b>SHIPPING CHOICE</b> Regular Mail <input checked="" type="checkbox"/> Courier <input type="checkbox"/>			Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount.	
ADD Shipping & Handling <b>B</b> 6.18						
Subtotal (Add A + B) <b>C</b> 87.18						
Registration #100756428 ADD GST (7% of subtotal C) <b>D</b> 6.10						
<b>U.S. AND INTERNATIONAL ORDERS</b> Please pay subtotal C in U.S. Funds (do not add GST or PST)		Subtotal (Add C + D) <b>E</b> 93.28				
		Quebec residents add PST (6.5% of Subtotal E) <b>F</b> -				
		Total (Add E + F) <b>G</b> 93.28				





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